

ACGS Level 2 – Penalties

A.1.1

Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?

RESPONSE

NO. ICTSI did not fail or neglect to offer equal treatment for share repurchases to all shareholders. Any share repurchases shall be made by the Company based on equal treatment in accordance with its policy.

Source:

[Manual on Corporate Governance \(“CG Manual”\)](#)

Stockholders’ Rights and Protection of Minority Shareholders

[click to open](#)

A.2.1

Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?

RESPONSE

NONE. There are no barriers that prevent shareholders from communicating or consulting with other shareholders. The Company has an Investor’s Relations Office (IRO) and a policy on communicating or relating with stockholders and other stakeholders of ICTSI through an effective investors relations program. The CFO or another senior officer designated by the Board shall exercise oversight responsibility over this program. The IRO shall be present at every shareholders’ meeting.

Source:

[ICTSI Website](#)

Governance: Constitutional Documents

[click to open](#)

[CG Manual](#)

Duties and Functions of the Board

[click to open](#)

A.3.1

Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?

RESPONSE

NO. There was no additional and unannounced agenda item during the recent annual stockholders meeting held on April 21, 2022 nor in the past annual meetings.

Source:

[Notice of the Latest Annual Stockholders Meeting](#)

February 22, 2022

[click to open](#)

[Minutes of the Latest Annual Stockholders Meeting \("ASM Minutes"\)](#)

April 21, 2022

[click to open](#)

A.3.2

Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?

RESPONSE

YES. The Chairman of the Board & the CEO, and the Audit Committee Chairman attended the most recent ASM held on April 21, 2022.

Source:

[ASM Minutes](#)

April 21, 2022

[click to open](#)

A.4.1

Did the company fail to disclose the existence of a shareholders agreement?

RESPONSE

NO. The company did not fail to disclose any shareholders agreement.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

A.4.2

Did the company fail to disclose the existence of a voting cap?

RESPONSE

NO. The company did not fail to disclose any voting cap.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

A.4.3

Did the company fail to disclose the existence of multiple voting rights?

RESPONSE

NO. The company did not fail to disclose the existence of multiple voting rights.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

A.5.1

Is a pyramid ownership structure and/ or cross holding structure apparent?

RESPONSE

NO. There is no pyramid ownership structure nor a cross holding structure.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

Ownership Structure

[click to open](#)

B.1.1

Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?

RESPONSE

NONE. There has not been any conviction of insider trading involving directors/commissioners, management and employees in the past three years.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

Annual Reports

[click to open](#)

B.2.1

Has there been any cases of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?

RESPONSE

NONE. There has not been any cases of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

Annual Reports

[click to open](#)

B.2.2

Were there any RPTs that can be classified as financial assistance (i.e. not conducted at arms length) to entities other than wholly-owned subsidiary companies?

RESPONSE

NONE. There are no RPTs that can be classified as financial assistance (i.e. not conducted at arms length) to entities other than wholly-owned subsidiary companies.

Source:

[Latest SEC Form 17-A \("SEC Form 17-A"\)](#)

Certain Relationships and Related Transactions

[click to open](#)

Noted 23, Related Party Transactions, to the Consolidated Financial Statements

[click to open](#)

[Latest Corporate Governance Report \("CG Report"\)](#)

Related Party Transactions

[click to open](#)

[ICTSI Website](#)

Disclosures

[click to open](#)

C.1.1

Has there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?

RESPONSE

NONE. There has not been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

Annual Reports

[click to open](#)

C.2.1

Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?

RESPONSE

NO. The company has not faced any sanctions by regulators for failure to make announcements within the requisite time period for material events.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

Annual Reports

[click to open](#)

D.1.1

Did the company receive a “qualified opinion” in its external audit report?

RESPONSE

NONE. The company did not receive a "qualified opinion" in its external audit report.

Source:

Independent Auditor's Report (pare of Audited Financial Statements)

[click to open](#)

D.1.2

Did the company receive an "adverse opinion" in its external audit report?

RESPONSE

NO. The company did not receive an "adverse opinion" in its external audit report.

Source:

Independent Auditor's Report (part of Audited Financial Statements)

[click to open](#)

D.1.3

Did the company receive a "disclaimer opinion" in its external audit report?

RESPONSE

NO. The company did not receive a "disclaimer opinion" in its external audit report.

Source:

Independent Auditor's Report (part of Audited Financial Statements)

[click to open](#)

D.1.4

Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?

RESPONSE

NO. The company has not revised, in the past year, its financial statements.

Source:

[SEC Form 17-A](#)

Audited Financial Statements

[click to open](#)

E.1.1

Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?

RESPONSE

NONE. The company has complied with all listing rules and regulations.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

Annual Reports

[click to open](#)

E.1.2

Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?

RESPONSE

NONE. There has not been any instances where non-executive directors have resigned due to and/or raised any issues of governance-related concerns.

Source:

[ICTSI Website](#)

Disclosures

[click to open](#)

Annual Reports

[click to open](#)

E.2.1

Does the Company have any independent directors/commissioners who have served for more than nine years or two terms (whichever is higher) in the same capacity?

RESPONSE

NONE. The past independent directors all served a maximum term of nine years. The current set of three independent directors were first elected in 2019 (Mr. Buenaventura) and 2021 (Mr. Ejercito and Chief Justice Peralta).

Source:

[ICTSI Website](#)

Cesar A. Buenaventura

[click to open](#)

Carlos C. Ejercito

[click to open](#)

Chief Justice Diosdado M. Peralta (ret.)

[click to open](#)

[CG Report](#)

Independence

[click to open](#)

E.2.2

Did the company fail to identify who are the independent director(s) / commissioner(s)?

RESPONSE

NO. The company identifies who are its independent directors and the disclosures are made in a timely manner.

Source:

[ICTSI Website](#)

Leadership

[click to open](#)

E.2.3

Does the Company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?

RESPONSE

Only Mr. Cesar A. Buenaventura exceeds the maximum number. He holds directorship in a total of seven PLCs. Mr. Buenaventura has a track record of expertise in various industries. Since his first election in 2019, his attendance in regular board and board committee meetings manifest his superb ability to manage his time well.

Source:

[SEC Form 17-A](#)

Cesar A. Buenaventura

[click to open](#)

[CG Report](#)

Board Committees

[click to open](#)

Attendance and Participation

[click to open](#)

E.3.1

Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?

RESPONSE

NONE. There is no director or senior management who was a former employee or partner of the current external auditor in the past 2 years.

Source:

[SEC Form 17-A](#)

Directors and Executive Officers

[click to open](#)

E.4.1

Has the chairman been the company CEO in the last three years?

RESPONSE

Mr. Enrique K. Razon Jr. is the Company's Chairman of the Board and President. The Company finds it practicable and more efficient to unify the positions of the Chairman of the Board and the President considering the nature of its business.

Pursuant to ICTSI's Manual on Corporate Governance, given that these positions are unified, the proper checks and balances are put in place and the respective duties and responsibilities of the Chairman and the President are clearly defined to ensure that the Board of Directors gets the benefit of independent views and perspective. Also, the Non-Executive Directors conduct separate periodic meetings without the presence of any Executive to evaluate the performance of the Board and the Management and may call on the external auditor and/or heads of internal audit, compliance and risk as resource persons.

Source:

[ICTSI Website](#)

Enrique K. Razon Jr.

[click to open](#)

[CG Manual](#)

The Chairman and President

[click to open](#)

E.4.1.

Do independent non-executive directors/commissioners receive options, performance shares or bonuses?

RESPONSE

NO. Independent non-executive directors/commissioners do not receive options, performance shares or bonuses.

All members of the Board of Directors receive directors' fees as compensation in accordance with the Company's By-Laws. The Board shall receive no more than 2% of the profits obtained during the year after deducting therefrom general expenses, remunerations to officers and employees, depreciation on buildings, machineries, transportation units, furniture, and other properties.

There are no material terms of any other arrangements or contracts where any director of ICTSI was compensated or is to be compensated, directly or indirectly, in 2020, 2021 or in the coming year, for any service provided as a director.

Source:

[By-Laws](#)

Section 8

[click to open](#)

[SEC Form 17-A](#)

Executive Compensation

[click to open](#)